



Incorporated in the Republic of Singapore
Company Registration No. 199907113K

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Federal Strikes Strategic Partnership with Destini to Co-bid for Oil & Gas Projects in the Region

- **Group has entered into a joint venture and shareholders agreement (“JVA”) with Bursa Malaysia-listed Destini Berhad (“Destini”)**
- **Federal and Destini would leverage on each other’s capabilities and expertise to tender for oil & gas projects in South Asia and South-East Asia**

Singapore, 10 November 2017 – Federal International (2000) Limited (“Federal” or the “Group”), an integrated service provider and procurement specialist in the oil and gas, energy, utilities and infrastructure industries, is pleased to announce the signing of the JVA between Destini and the Group. Under the terms of the JVA, the Group’s wholly-owned subsidiary, Federal Hardware Engineering Co. Pte Ltd (**“FHE”**), and Destini’s wholly-owned subsidiary, Destini Oil Services Sdn Bhd (**“DOS”**) will incorporate a 50:50 joint venture company (**“JVco”**) in Singapore.

Destini is an integrated engineering solutions provider serving the aviation, marine, land systems as well as oil & gas industries. Destini is one of the leading maintenance, repair and overhaul (MRO) service provider in the region and it has presence in Asia, Europe, Australia and the Middle-East markets. As of 9 November 2017, Destini’s market capitalization stands at S\$184.8 million.

The JVco will specialize in bidding for projects in (1) floating production systems in greenfield development, (2) transportation and installation services, (3) well abandonment and field decommissioning services; and (4) downhole and well workover services. DOS has developed a track record in tubular handling services and field decommissioning while FHE will provide expertise and capabilities in procurement and project management on top of contributing valuable experience in mini liquefied natural gas (**“LNG”**) and LNG terminal projects for the JVco.



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Commenting on the signing of the JVA with Destini, Mr. Koh Kian Kiang, Executive Chairman and CEO of Federal, said, *“Our Group is delighted to partner Destini to tender for oil & gas projects in the region and to explore more future working opportunities. The JVA also marks a significant milestone for our Group in securing our first joint venture with a Malaysian listed company.*

Setting up this JVco would not only enable both Groups to pursue larger-in-value and higher-margin contracts in the region but also generate much synergy between both Groups’ complementary skillsets. It also significantly increases our chances of securing prominent oil & gas projects in the region and lowers the risks for both parties by bidding for projects together.

Given our Group’s track record in Singapore and Indonesia combined with Destini’s presence in Malaysia, the Middle-East and Europe, our Group believes that we can cross-sell each other’s products and services via these geographies. Our Group has already taken the first step and agreed in principle to market Destini’s catalogue of marine products and services into Indonesia.

This synergistic joint venture comes at an opportune time for the Group as Brent crude prices have been trending higher over last couple of weeks, hitting a recent high of US\$64.27 on 6 November 2017¹. Our Group will continue to strike-out key and valuable partnerships in the region to expand our business and enhance our shareholder value.”

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¹ Source: Brent Crude Oil Prices, Bloomberg, 6 November 2017



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About Federal International (Bloomberg Code: FEDI SP)

Established in 1974 and listed on the mainboard of the Singapore Stock Exchange in 2000, Federal International (2000) Limited ("Federal" or the "Group"), is an integrated service provider and procurement specialist in the oil and gas, energy, utilities and infrastructure industries. The Group's main trading business contributes 97% of total turnover. The Group's strategy for sustainable growth of the trading business is through forming strategic partnerships. One such partnership is with PT Gunanusa Utama Fabricators ("PTG"). PTG is an established EPC contractor and counts major oil companies such as TOTAL, Chevron, ONGC, Pertamina and PTTEP as its customers. The Group provides procurement services to PTG for the EPC projects secured by PTG.

In addition, the Group has a design and manufacturing facility located in Scotland, the United Kingdom. The facility is American Petroleum Institute (API) Q1, Spec 6D, ISO 9001:2015 and Pressure Equipment Directive 97/23/EC (PED) certified. Products manufactured also meet the Safety Integrity Level (SIL) Qualification independently certified by Exida. The Group also owns a floating, storage and offloading ("FSO") vessel through its 30% interest in an associate and a 1,200 HP American built land drilling rig. The FSO is chartered to the China National Offshore Oil Corporation. The Group also operates an industrial water plant in the People's Republic of China under a 30-year Build, Operate and Transfer agreement with the local Xinjin County government.

Issued for and on behalf of Federal International (2000) Ltd

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